

**Idaho State Board of Education**  
**GOVERNING POLICIES AND PROCEDURES**

**SECTION: V. FINANCIAL AFFAIRS**

**Subsection: N. Grants and Contracts**

**April 2002**

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**N. Grants and Contracts**

**1. Approval of Grant and Contract Applications**

All applications for grants and contracts that require the institution, school or agency to dedicate current funds or facilities or will obligate the institution, school or agency or state to dedicate future funding or significant facilities require approval by the executive director. Cost sharing or other types of in-kind matching requirements are not considered as dedicated commitments. If there is no dedicated funding or facilities obligation, the application shall be approved by the chief executive officer of the institution, school or agency or his or her designee. When requests for approval of such applications are presented to the executive director the following information must be included:

- a. Agency to which application is made.
- b. Amount of the proposal.
- c. Period of the grant or contract.
- d. Purpose of the grant or contract.
- e. Nature of obligations including amount of funds involved or facilities to be committed.

**2. Acceptance of Grants and Contracts**

Grants and contracts accepted by the institution, school or agency must be reported to the executive director quarterly by the institution, school or agency of official notification, when the amount of the grant or contract award exceeds one hundred thousand dollars (\$100,000). When grant or contract awards are presented to the executive director, the following information must be provided:

- a. Name of grantor or contract.
- b. Amount of the grant or contract.
- c. Grant or contract period.
- d. Purpose of the grant or contract.
- e. Indicate nature of institution, school or agency's obligations in the form of dedicated funding or dedication of significant facilities. If there is none, the following statement should be included: "No future state obligation will be incurred with the acceptance of this grant or contract."

**3. Facilities and Administrative Cost Recovery**

- a. The following cost recovery rates will be used by institutions, school and agencies under the governance of the Board for grant and contract services:

- (1) For grants and contracts with the federal government, the cost recovery rates are those negotiated between the institution, school or agency and the federal government. The indirect cost rate may vary from one class of contract services to another, but institutions, school and agencies are encouraged to maximize indirect cost reimbursement rates.
- (2) For grants and contracts with other state of Idaho departments, the cost recovery rate is twenty percent (20%) of the total direct cost.
- (3) For grants and contracts with Idaho municipal, county, health district, joint planning, and other public non-profit agencies, the cost recovery rate is not less than twenty percent (20%) of total direct cost.
- (4) For grants and contracts with private entities, whether profit or non-profit, cost recovery's are charged at either the negotiated federal indirect cost rate for research projects or twenty-five percent (25%) of total direct costs, whichever rate will generate the greater amount of revenue for the institution, school or the agency.

b. Reduction or Waiver of Cost Recoveries

- (1) For good cause, the chief executive officer or his or her designee of the institution, school or agency is authorized to reduce or waive cost recovery's.
- (2) Where cost recovery's are anticipated to total more than ten thousand dollars (\$10,000) over the life of the contract, reduction, or waiver of indirect costs must be reported to the executive director on a quarterly basis.

**4. Restrictions on Contract Services**

- a. Prior to the consideration of any contract for services that is required to be submitted to the Board for approval, all institutions, school or agencies shall include in the Business Affairs and Human Resources agenda an opinion from legal counsel stating the proposed contract obligation is consistent with applicable rules and policies of the State Board of Education. The opinion statement shall include the name, address, and phone number of legal counsel. Contracts presented to the Board for consideration which do not contain this information shall be determined disapproved. Grants and those educational agreements designed for articulation or affiliation shall not be

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construed to be within the jurisdiction of this subsection unless a fiscal liability is created for the Board, its agencies, school or institutions.

- b. Research or consultant entities of agencies, institutions and the school under the governance of the Board may not bid on contract services when it appears that the contract services are reasonably available from the private sector.
- c. If the product of contract work is to be privileged or its dissemination restricted, the agency, school or institution may not undertake the contract work without the written approval of the chief executive officer of the agency, school or institution. The chief executive officer must report all such approvals to the Board at its next scheduled meeting.